

ARGUMENTS FOR S-1502 INTRODUCED ON MARCH 23, 1959 BY
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SEEKING EQUALITY OF TREATMENT FOR FOREIGN SERVICE RETIREES

Sections

1. - Proportionate increases in annuities when salaries are increased.
2. - Similar increases for survivor annuitants.
3. - Equalization for retirees under previous salaries with those who retire under present salary and retirement provisions according to class and grade.
4. - Increasing permissible relief of destitute widows to \$2,400.

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- A. CONGRESS HAS RECOGNIZED THAT IT COSTS MORE TO LIVE. It has increased Foreign Service salaries since the basic Roger's Act (1924) by 78%. An officer retiring in 1939 with a disposable income of \$3000 would now need approximately \$7000, due to soaring costs and taxes.
- B. OLDER RETIREES PAID FOR ANNUITIES THE SAME man-years of work as present retirees. Having paid in dollars of high purchasing value, they are entitled today to the standard of living which those dollars made possible at the time of retirement.
- C. THEIR ANNUITIES HAVE NOT BEEN EQUALIZED although 280 retired before 1946 received an average \$200 increase (Richards Bill 1952), and those retired before July 1949 received \$324 (Sparkman Bill 1957). In 1958, another Sparkman Bill provided for a ten per cent increase to retired Foreign Service Officers and widows.
- D. THEY COULD NOT SAVE LIKE OTHER GOVERNMENT SERVANTS. Serving abroad they were obligated to maintain the prestige of the United States, using their own salaries as well as allowances on official duties necessary to create good will. Drastic changes of climate from post to post, often necessitated complete changes of household furnishings as well as wardrobes, and sending children home or to another country for schooling.

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- E. THEY COULD NOT PURCHASE A HOME and pay for it while drawing salaries when costs were low, because they served abroad. All this confronted them after they retired on a fraction of their former salaries.
- F. THEY LACK HOSPITAL AND MEDICAL CARE IN THEIR OLD AGE such as is given retired Army and Navy personnel.
- G. THEY ARE HANDICAPPED IN FINDING JOBS to augment their incomes because, having spent their active years abroad, they lack the usual business and professional contacts.
- H. THE STATE DEPARTMENT WELCOMES THE INITIATIVE in seeking congressional rectification of annuities by the retired diplomatic and consular officers as this improves service morale and helps recruiting.
- I. THE ENACTMENT THIS MONTH BY CONGRESS OF A BILL to increase pensions of retired railway employees on account of the increase in the cost of living, thereby confirming the inadequacy of existing pensions, was signed by the President without comment. This confirms the precedent of relating the size of pensions to fluctuations in the cost of living. The Congress cannot, with any justice, deny to Foreign Service retirees that principle now firmly established.
- J. THE FOREIGN SERVICE ASSOCIATION SUPPORTS THIS PROGRAM - EQUALITY OF TREATMENT OF RETIREES.